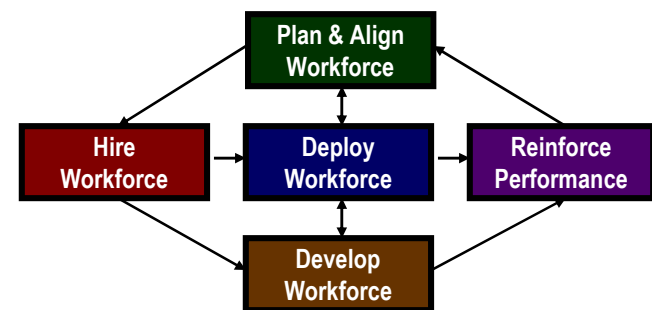

**State of Washington
Department of Financial Institutions**

**Human Resource
Management Report**



October 2009

Managers' Logic Model for Workforce Management



Executive Summary

Department of Financial Institutions

Performance Measure	Status	Action Priority ^e	Comments
PLAN & ALIGN WORKFORCE			
Management profile ^a	15.9% = "Managers"; 8.5% = WMS only	Low	WMS control point = 10.4%
% employees with current position/competency descriptions ^b	87.86%	Medium	
HIRE WORKFORCE			
Average Time to Hire Funded Vacancies ^c	19.7 avg days to hire (of 9 vacancies filled)	Low	
Candidate quality ratings ^c	62.8% cand. interviewed had competencies needed 100.0% mgrs said they were able to hire best candidate	Low	
Hiring balance (% types of appointments) ^c	58% promo; 33% new hires; 0% transfers; 3% exempts;	Low	
Number of separations during post-hire review period ^c	6	Low	
DEPLOY WORKFORCE			
Percent employees with current performance expectations ^b	100.00%	Low	
Overtime usage: (monthly average) ^c	.47 hours (per capita); 3.74% of EEs receiving OT	Low	
Sick leave usage: (monthly average) ^c	5.1 hours (per capita)	Medium	
# of non-disciplinary grievances ^c	N/A	Low	N/A - DFI is non-represented
# of non-disciplinary appeals & Dir's Reviews filed ^c	N/A	Low	N/A - DFI is non-represented
DEVELOP WORKFORCE			
Percent employees with current individual training plans ^b	74.72%	Medium	
REINFORCE PERFORMANCE			
Percent employees with current performance evaluations ^b	100.00%	Low	
Number of formal disciplinary actions taken ^c	1	Low	
Number of disciplinary grievances and appeals filed ^c	N/A grievances; 0 appeals	Low	
ULTIMATE OUTCOMES			
Turnover percentages (leaving state service) ^c	9.30%	Medium	
Diversity Profile ^a	62% female; 20% people of color; 56% 40+; 4% with disabilities	Medium	
Employee survey overall average rating ^d	4.10, 171 survey responses	Low	

a) Data as of 6/30/09

b) Data as of 6/30/09 or agency may use more current date (if so, please note in the "Comments" section)

c) Data from 7/1/08 through 6/30/09

d) Data as of November 2007 State Employee Survey

e) Action Priority: H=High, M=Medium, L=Low For those measures that have Action Steps

Management Profile

Agency Priority: **Low**

Plan & Align Workforce

Outcomes:

Managers understand workforce management accountabilities. Jobs and competencies are defined and aligned with business priorities. Overall foundation is in place to build & sustain a high performing workforce.

Performance Measures:

Management profile

Workforce Planning measure (TBD)

Percent employees with current position/competency descriptions

WMS Employees Headcount = 16

Percent of agency workforce that is WMS = 8.5%

All Managers* Headcount = 30

Percent of agency workforce that is Managers* = 15.9%

* In positions coded as "Manager" (includes EMS, WMS, and GS)

Analysis:

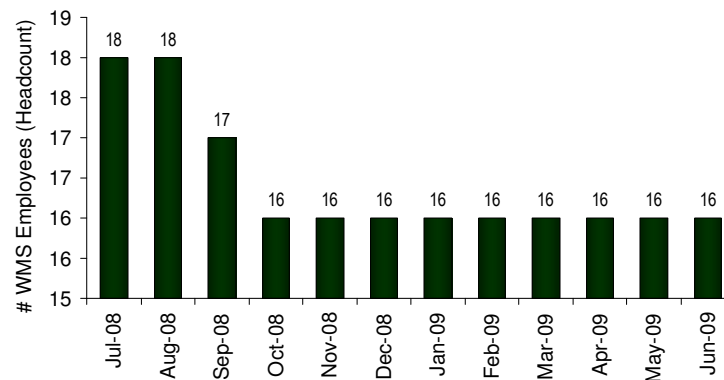
- **WMS Control Point: 10.4%**
- DFI utilizes WMS only for positions that have a management function - typically managing a program or unit, and/or people.
- DFI's baseline for WMS positions is 10.4%. The agency continues to manage to this baseline and currently we are running below the baseline.

Action Steps:

- DFI will continue to monitor and report on WMS positions as required.

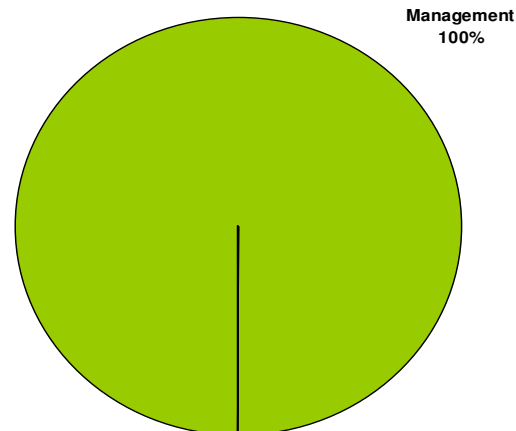
Washington Management Service Headcount Trend

Data Time Period: July 2008 through June 2009



WMS Management Type

Management	16
Consultant	N/A
Policy	N/A
Not Assigned	N/A



Data as of July 1, 2009
Source: HRMS Business Intelligence

Plan & Align Workforce

Outcomes:

Managers understand workforce management accountabilities. Jobs and competencies are defined and aligned with business priorities. Overall foundation is in place to build & sustain a high performing workforce.

Performance Measures:

Management profile
Workforce Planning
measure (TBD)

**Percent employees with
current position/
competency descriptions**

Current Position/Competency Descriptions

Agency Priority: **Low**

**Percent employees with current
position/competency descriptions = 87.86%***

*Based on **157** of **178** reported employee count
Applies to employees in permanent positions, both WMS & GS

Analysis:

- DFI identified and adopted agency-wide competencies for all positions in 2001. Supervisors and managers review position descriptions with employees annually, and update them as necessary. Competencies are a key element of performance management within DFI and are utilized throughout the position descriptions and the PDP process.

Action Steps:

- The Human Resources Office will continue to monitor and track updated position descriptions, and will send reminders to managers and supervisors to annually review and update their position descriptions as necessary.

Hire Workforce

Outcomes:

Best candidates are hired and reviewed during appointment period. The right people are in the right job at the right time.

Performance Measures

Time-to-hire vacancies

Candidate quality

Hiring Balance (proportion of appointment types)

Separation during review period

Time-to-Hire / Candidate Quality

Agency Priority: **Low**

Time-to-Hire Funded Vacancies

Average number of days to hire*: **19.7**

Number of vacancies filled: **9**

*Equals # of days from the date the hiring supervisor informs the agency HR Office to start the process to fill the position, to the date the job offer is accepted.

Agency Priority: **Medium**

Candidate Quality

Of the candidates interviewed for vacancies, how many had the competencies (knowledge, skills & abilities) needed to perform the job?

Number = **27** Percentage = **62.8%**

Of the candidates interviewed, were hiring managers able to hire the best candidate for the job?

Hiring managers indicating "yes":

Number = **5** Percentage = **100%**

Hiring managers indicating "no":

Number = **0** Percentage = **N/A**

Analysis:

- Although the average number of days to hire has decreased from 21 days from the October 2008 report to 19.7 days for the current report, this may not be an accurate depiction of our time to hire as there was a hiring freeze during the majority of this time period.
- Due to the statewide hiring freeze, DFI was not able to implement the use of new technology and other progressive recruitment tools to broaden the talent and applicant pool until July 2009. HR will report on the use of these tools in our next report.

Action Steps:

- DFI will continue to closely monitor the time to hire funded vacancies and candidate quality throughout the year.
- Also identified in the 2009 – 2011 Strategic Plan, DFI will develop multiple focus groups from within each generation in the current workforce to identify recruitment strategies by June 30, 2010.

Hire Workforce

Outcomes:

Best candidates are hired and reviewed during appointment period. The right people are in the right job at the right time.

Performance Measures

Time-to-hire vacancies

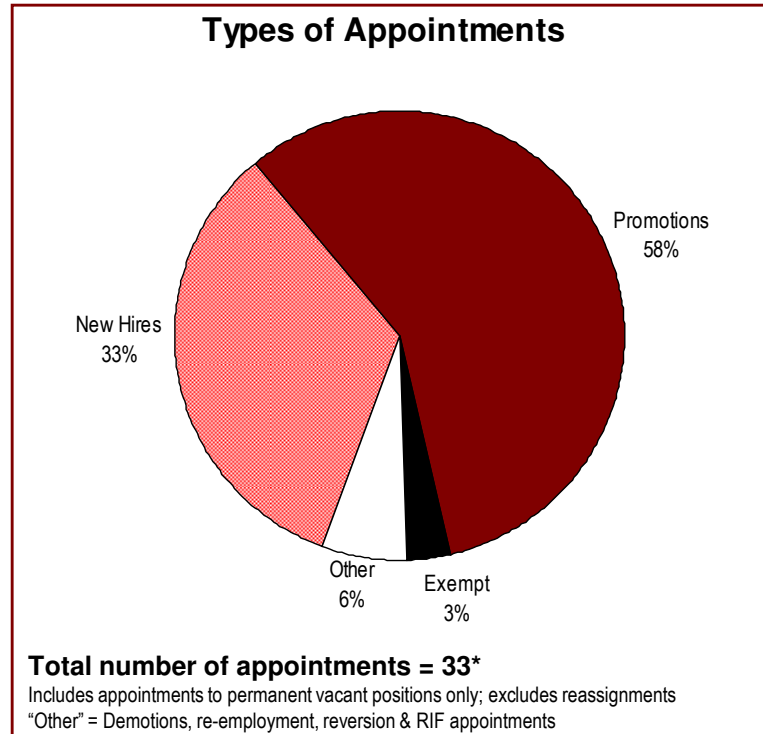
Candidate quality

Hiring Balance
(proportion of appointment types)

Separation during review period

Hiring Balance / Separations During Review Period

Agency Priority: **Low**



Agency Priority: **Low**

Separation During Review Period	
Probationary separations - Voluntary	0
Probationary separations - Involuntary	3
<i>Total Probationary Separations</i>	<i>3</i>
Trial Service separations - Voluntary	3
Trial Service separations - Involuntary	0
<i>Total Trial Service Separations</i>	<i>3</i>
Total Separations During Review Period	6

Data Time Period: July 2008 through June 2009
Source: HRMS Business Intelligence

Analysis:

- DFI offers promotional opportunities throughout the agency, and encourages professional development and training activities that enhance promotional opportunities for its employees. Although promotion occurs at nearly all levels, the Financial Examiner and Financial Legal Examiner series allow strong career paths for employees.
- With the additional performance management abilities created by broader Civil Service Rules, agency management continues to utilize trial service and probationary periods to manage sub-par performance.
- DFI developed a new employee orientation to ensure that all new employees receive consistent information that will help them better integrate into the culture of DFI. The orientation was implemented in July 2009.

Action Steps:

- HR will continue to partner with agency management consulting on performance issues and appropriate use of trial and probationary periods, as well as reviewing and reporting on promotional opportunities and options for agency staff.
- HR will monitor the success of the new employee orientation on a quarterly basis and will continue to improve the orientation as needed.
- The 2009 – 2011 DFI Strategic Plan also indicates that DFI will develop and implement a supervisor/manager training program and study the feasibility and methods to balance employee to supervisor ratio. DFI will also develop and pilot an internal mentoring program for new employees.

Deploy Workforce

Outcomes:

Staff know job expectations, how they're doing, & are supported. Workplace is safe, gives capacity to perform, & fosters productive relations. Employee time and talent is used effectively. Employees are motivated.

Performance Measures

Percent employees with current performance expectations

Overtime usage

Sick leave usage

Non-disciplinary grievances/appeals filed and disposition (outcomes)

Current Performance Expectations

Agency Priority: **Low**

Percent employees with current performance expectations = 100%*

*Based on **178** of **178** reported employee count
Applies to employees in permanent positions, both WMS & GS

Analysis:

- DFI holds both supervisors and employees accountable for active participation in setting and clarifying performance expectations.

Action Steps:

- DFI supervisors must complete individual Performance Development Plans (PDP) for all new employees within the first 30 days of their appointment.
- DFI supervisors must update individual PDP's on a periodic and on an "as needed" basis throughout the performance period.
- DFI will continue to provide ongoing PDP workshops to supervisors and employees that stress the importance of keeping performance expectations current and encourage open, collaborative communication as part of the PDP process.

Overtime Usage

Agency Priority: **Low**

Deploy Workforce

Outcomes:

Staff know job expectations, how they're doing, & are supported. Workplace is safe, gives capacity to perform, & fosters productive relations. Employee time and talent is used effectively. Employees are motivated.

Performance Measures

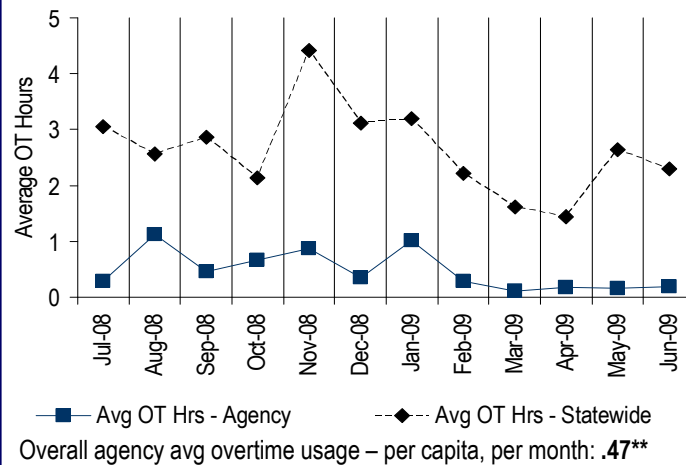
Percent employees with current performance expectations

Overtime usage

Sick leave usage

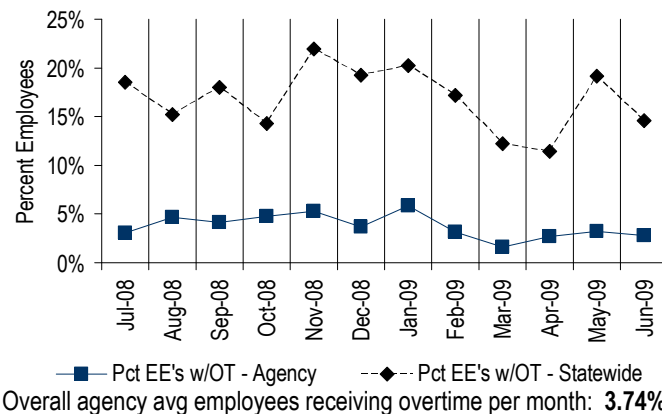
Non-disciplinary grievances/appeals filed and disposition (outcomes)

Average Overtime (per capita) *



**Overall agency avg overtime usage – per capita, per month = sum of monthly OT averages / # months

% Employees Receiving Overtime *



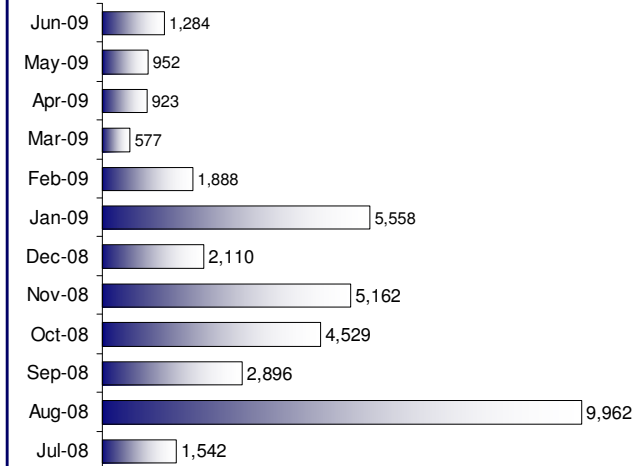
**Overall agency avg employees receiving overtime per month = sum of monthly OT percentages / # months

*Statewide overtime values do not include DNR

Data Time Period: July 2008 through June 2009

Source: HRMS Business Intelligence

Overtime Cost - Agency



Analysis:

- DFI's use of overtime has been greatly reduced since the last report. This is attributed to DFI changing many of the hourly, non-permanent appointments into permanent, salaried appointments.
- The increase in overtime during August 2008 is attributed to implementation of Nationwide Mortgage Licensing System (NMLS) the Division of Consumer Services.

Action Steps:

- DFI will continue to monitor agency overtime cost of hourly, non-permanent employees, as well as overtime-eligible permanent employees.
- DFI will continue to make further changes to salary from hourly appointments as necessary.
- DFI will work to continue the current trend of low to no overtime usage.

Deploy Workforce

Outcomes:

Staff know job expectations, how they're doing, & are supported. Workplace is safe, gives capacity to perform, & fosters productive relations. Employee time and talent is used effectively. Employees are motivated.

Performance Measures

Percent employees with current performance expectations

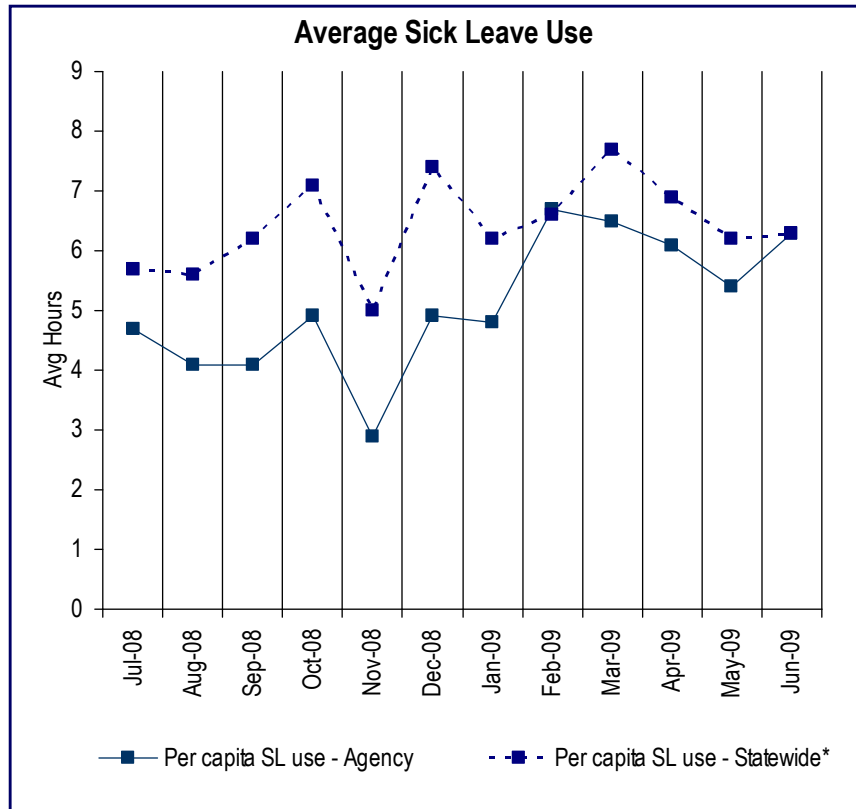
Overtime usage

Sick leave usage

Non-disciplinary grievances/appeals filed and disposition (outcomes)

Agency Priority: **Medium**

Sick Leave Usage



Sick Leave Hrs Used / Sick Leave Balance (per capita)

Avg Hrs SL Used (per capita) - Agency	Avg SL Balance (per capita) - Agency	Avg Hrs SL Used (per capita) - Statewide*	Avg SL Balance (per capita) - Statewide*
5.1 Hrs	255.9 Hrs	6.4 Hrs	240.2 Hrs

* Statewide data does not include DOL, DOR, L&I, and LCB

Data Time Period: July 2008 through June 2009

Source: Department of Personnel

Deploy Workforce

Outcomes:

Staff know job expectations, how they're doing, & are supported. Workplace is safe, gives capacity to perform, & fosters productive relations. Employee time and talent is used effectively. Employees are motivated.

Performance Measures

Percent employees with current performance expectations

Overtime usage

Sick leave usage

Non-disciplinary grievances/appeals filed and disposition (outcomes)

Sick Leave Usage (cont.)

Agency Priority: **Medium**

Analysis:

- Average sick leave hours used per capita for DFI continues to remain below the statewide average.
- Average sick leave balances per capita for DFI are higher than the statewide average.
- DFI's wellness program continues to assist employees in improving their overall health.
- DFI's Wellness Committee provided onsite yoga, strength band training, and onsite biometrics and health surveys with a comprehensive report. Promoting good health habits through activities such as encouraging Farmer's Market visits, Energize Your Meeting Guidelines, "Strive for Five" (to promote fruits and vegetables), a physical activity speaker, and stocking the vending machines with Fit Picks, was also implemented. The committee also sponsored an activity challenge as well as a healthy potluck and recipe exchange.

Action Steps:

- HR & agency management will continue to monitor sick leave use to determine other trends.
- HR will continue to partner with managers and supervisors to manage excessive absenteeism and or/leave abuse using performance management tools.
- DFI will contract Crucial Conversations training in 2009/2010 to assist supervisors in dealing with chronic abusers.
- DFI's Wellness Committee has scheduled free on-site flu shots for employees in October 2009.
- The Wellness Committee also provides for physical activity opportunities, such as free strength conditioning and yoga during lunchtime. They also continue to provide healthy eating habit information and general wellness information.
- Due to DFI's participation in the Healthy Worksite Initiative (HWI) which ended June 30, 2009, the agency was able to sponsor an exercise incentive program that reimburses staff who participated in biometrics testing.

Deploy Workforce

Outcomes:

Staff know job expectations, how they're doing, & are supported. Workplace is safe, gives capacity to perform, & fosters productive relations. Employee time and talent is used effectively. Employees are motivated.

Performance Measures

Percent employees with current performance expectations

Overtime usage

Sick leave usage

**Non-disciplinary
grievances/appeals filed
and disposition
(outcomes)**

Non-Disciplinary Appeals (non-represented employees)

Agency Priority: **Low**

Grievance Disposition

- DFI is non-represented, and does not have grievances. The agency has a complaint process and procedure in place – for resolving employee complaints.
- Non-disciplinary complaints are resolved at the supervision level, starting at immediate supervisor, then proceeding to second and third level supervision as necessary. Final complaint resolution rests with Agency Director.
- Complaints involving higher-level non-disciplinary issues (discrimination, etc.) are received by HR, processed and resolved in cooperation with, and guidance by, agency executive management.

Data Time Period: July 2008 through June 2009
Source: Department of Personnel

Develop Workforce

Outcomes:

A learning environment is created. Employees are engaged in professional development and seek to learn. Employees have competencies needed for present job and future advancement.

Performance Measures

Percent employees with current individual development plans

Competency gap analysis (TBD)

Individual Development Plans

Agency Priority: **Medium**

Percent employees with current individual development plans = 74.72%*

*Based on **133** of **178** reported employee count
Applies to employees in permanent positions, both WMS & GS

Analysis:

- DFI provides on-going training and professional development opportunities for all staff in addition to mandatory training.
- The percentage of DFI employees with current individual development plans has decreased from 85% to 74.72%. This may be attributed to budget constraints during this time period; however, HR will continue to monitor this portion of the Performance Development Plans (PDP) to ensure that supervisors are providing development plans for their employees.

Action Steps:

- DFI will continue to require supervisors to identify training requirements and update individual PDP's on a periodic basis throughout the performance period, as employee's skill sets or training needs change.
- DFI requires supervisors to complete individual Performance Development Plans (PDP) for all new employees* within the first 30 days of their appointment.

Reinforce Performance

Outcomes:

Employees know how their performance contributes to the goals of the organization. Strong performance is rewarded; poor performance is eliminated. Successful performance is differentiated and strengthened. Employees are held accountable.

Performance Measures

Percent employees with current performance evaluations

Disciplinary actions and reasons, disciplinary grievances/appeals filed and disposition (outcomes)

Reward and recognition practices (TBD)

Current Performance Evaluations

Agency Priority: **Low**

Percent employees with current performance evaluations = 100%*

*Based on **178** of **178** reported employee count
Applies to employees in permanent positions, both WMS & GS

Analysis:

- DFI has maintained a 100% completion rate on current performance evaluations since 2005 (four years).
- DFI received Performance Management Confirmation in August 2007. The ARROW Award Program and Executive Management require that the agency maintain a 100% completion rate on current performance evaluations.

Action Steps:

- HR monitors compliance with this measure and provides tracking reports to supervisors and managers.

Reinforce Performance

Outcomes:

Employees know how their performance contributes to the goals of the organization. Strong performance is rewarded; poor performance is eliminated. Successful performance is differentiated and strengthened. Employees are held accountable.

Performance Measures

Percent employees with current performance evaluations

Disciplinary actions and reasons, disciplinary grievances/appeals filed and disposition (outcomes)

Reward and recognition practices (TBD)

Formal Disciplinary Actions

Agency Priority: **Low**

Disciplinary Action Taken

Action Type	# of Actions
Dismissals	N/A
Demotions	N/A
Suspensions	1
Reduction in Pay*	N/A
Total Disciplinary Actions*	1

* Reduction in Pay is not currently available as an action in HRMS/BI.

Issues Leading to Disciplinary Action

- Unprofessional conduct and inappropriate behavior.

Analysis:

- DFI had one formal disciplinary action during this time period. Although this is an increase from the last report, we feel that this number is acceptable based on the size of our agency.
- Due to our performance management program, supervisors are holding employees more accountable for meeting the expectations and competencies for their position. When these expectations are not met they result in disciplinary action.

Action Steps:

- DFI will continue to train our managers and supervisors in the just cause corrective and disciplinary process so performance and behavior can be turned around before resulting in disciplinary actions.

Disciplinary Grievances and Appeals

Agency Priority: **Low**

Reinforce Performance

Outcomes:

Employees know how their performance contributes to the goals of the organization. Strong performance is rewarded; poor performance is eliminated. Successful performance is differentiated and strengthened. Employees are held accountable.

Performance Measures

Percent employees with current performance evaluations

Disciplinary actions and reasons, disciplinary grievances/appeals filed and disposition (outcomes)

Reward and recognition practices (TBD)

As of October 2009, DFI does not have any disciplinary grievances or appeals.

Grievance Disposition

- DFI is non-represented, and does not have grievances. The agency has a complaint process and procedure in place for resolving employee complaints.
- Non-disciplinary complaints are resolved at the supervision level, starting at immediate supervisor, then proceeding to second and third level supervision as necessary. Final complaint resolution may rest with Agency Director.
- Complaints involving higher-level non-disciplinary issues (discrimination, etc.) are received by HR, processed and resolved in cooperation with and guidance by agency executive management.

ULTIMATE OUTCOMES

Employees are committed to the work they do and the goals of the organization

Successful, productive employees are retained

The state has the workforce breadth and depth needed for present and future success

Performance Measures

Turnover rate: key occupational categories

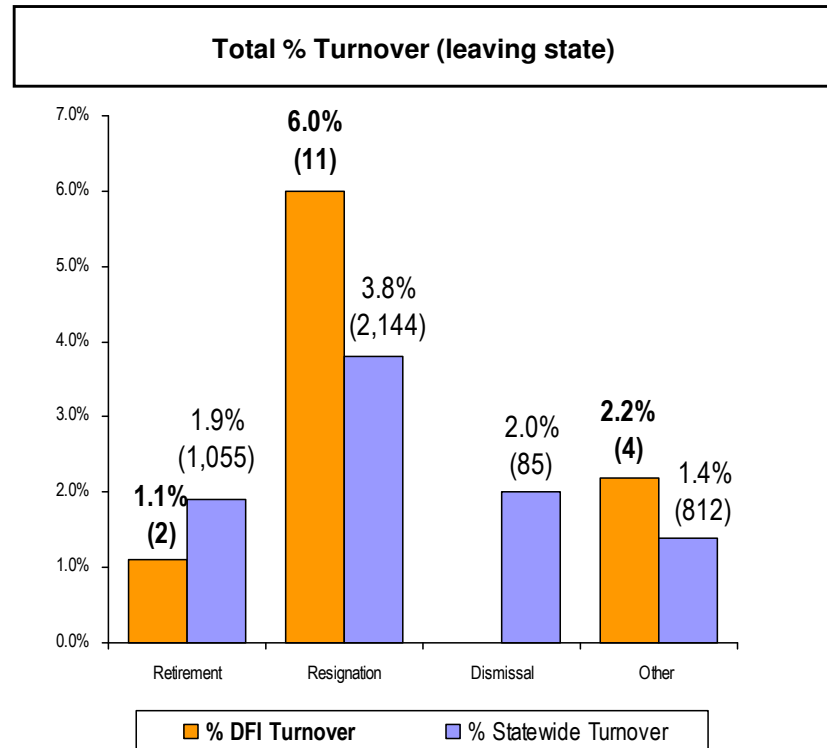
Workforce Diversity Profile

Employee Survey Information

Retention measure (TBD)

Turnover Rates

Agency Priority: **Medium**



Total DFI Turnover Actions: 17

Total % DFI Turnover: 9.3%

Total Statewide Turnover Actions: 4,096

Total % Statewide Turnover: 7.3%

Note: Movement to another agency is currently not available in HRMS/BI

Data Time Period: July 2008 through July 2009
Source: HRMS Business Intelligence

Analysis:

- DFI's total percentage of turnover is higher than the statewide average.
- The number of turnover actions has increased from 7.1% in 2008 to 9.3% in 2009.
- DFI continues to monitor turnover and explore ways to improve retention, specifically in hard-to-fill positions.
- At one point, DFI established a Recruitment and Retention committee to explore options. The committee developed an action plan to increase recruitment outreach and utilize retention tools allowed under the Civil Service Rules and Agency policy. The Human Resources Office will implement these outreach and retention tools.

Action Steps:

- DFI will continue to utilize retention tools allowed under the Civil Service Rules and Agency policy.
- As identified in the 2009 – 2011 Strategic Plan, DFI will develop multiple focus groups from within each generation in the current workforce to identify retention strategies.
- DFI will review viable options for competitive compensation for Financial Examiner and Financial Legal Examiner job classes.

ULTIMATE OUTCOMES

Employees are committed to the work they do and the goals of the organization

Successful, productive employees are retained

The state has the workforce breadth and depth needed for present and future success

Performance Measures

Turnover rates and types

Turnover rate: key occupational categories

Workforce Diversity Profile

Employee Survey Information

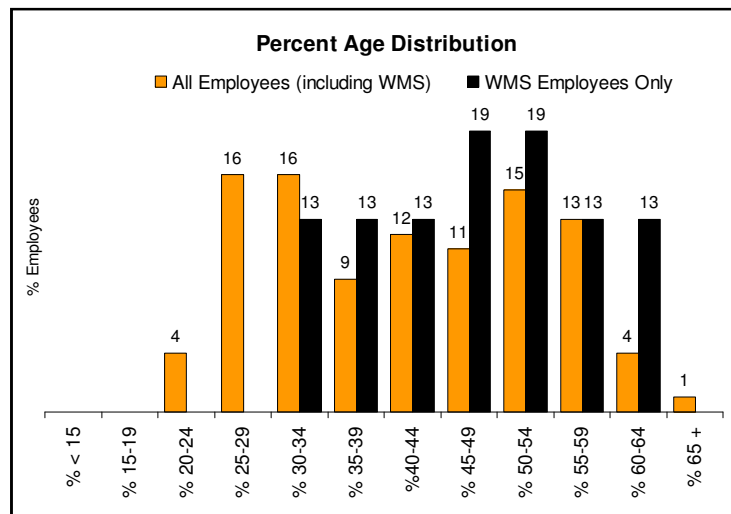
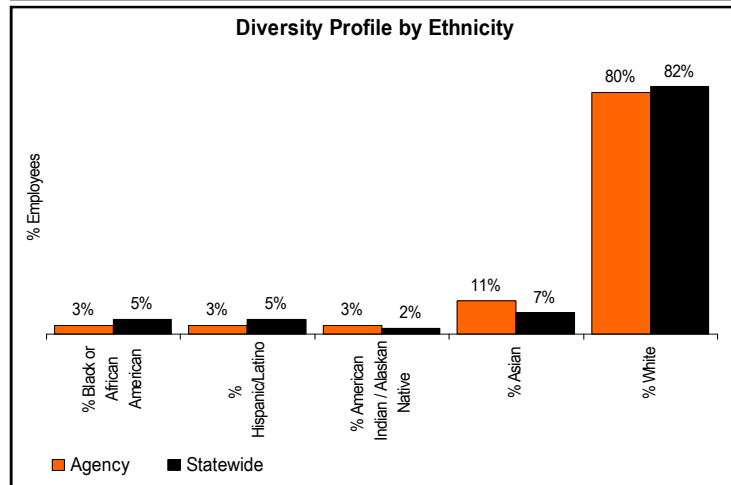
Retention measure (TBD)

Workforce Diversity Profile

Department of Financial Institutions

Agency Priority: **Medium**

	Agency	State
Female	62%	53%
Persons w/Disabilities	4%	4%
Vietnam Era Veterans	4%	6%
Veterans w/Disabilities	3%	2%
People of color	20%	18%
Persons over 40	56%	74%



Analysis:

- DFI leads or matches the statewide average in every category with the exception of Persons over 40 and Vietnam Era Veterans.
- The age demographic for Vietnam Era Veterans is retirement eligible employees. Due to retirement of some of our Vietnam Era Veterans, DFI's percentage of Vietnam Era Veterans fell below the statewide average.
- While the statewide average of Persons over 40 is higher, DFI's percentage in that category is more in balance for sustaining the current workforce for a longer period of time.
- DFI identified additional recruitment resources to target specific demographics and created an action plan to utilize new venues, professional organizations and publications to reach a broader talent pool.

Action Steps:

- DFI will continue to research additional recruitment resources to target specific demographics, utilizing new venues, professional organizations, and publications to reach a broader talent pool.
- As identified in the 2009 – 2011 Strategic Plan, DFI will develop multiple focus groups from within each generation in the current workforce to identify recruitment and retention strategies in order to recruit and retain a high performing diverse workforce by June 30, 2010.

Data as of July 2009
Source: HRMS Business Intelligence

Employee Survey Ratings

Agency Priority: **Low**

ULTIMATE OUTCOMES

Employees are committed to the work they do and the goals of the organization

Successful, productive employees are retained

The state has the workforce breadth and depth needed for present and future success

Performance Measures

Turnover rates and types

Turnover rate: key occupational categories

Workforce Diversity Profile

Employee Survey Information

Retention measure (TBD)

Question	Avg April 2006	Avg Nov 2007
1) I have the opportunity to give input on decisions affecting my work.	4.01	3.87
2) I receive the information I need to do my job effectively.	4.28	4.10
3) I know how my work contributes to the goals of my agency.	4.57	4.47
4) I know what is expected of me at work.	4.54	4.32
5) I have opportunities at work to learn and grow.	4.35	4.18
6) I have the tools and resources I need to do my job effectively.	4.34	4.18
7) My supervisor treats me with dignity and respect.	4.56	4.41
8) My supervisor gives me ongoing feedback that helps me improve my performance.	4.08	3.76
9) I receive recognition for a job well done.	3.66	3.63
10) My performance evaluation provides me with meaningful information about my performance.	3.96	3.80
11) My supervisor holds me and my co-workers accountable for performance.	4.38	4.24
12) I know how my agency measures its success.	3.86	3.90
13) My agency consistently demonstrates support for a diverse workforce.	N/A	4.35

Overall average: 4.22 4.10

Number of survey responses: 114 171

Data as of November 2007
Source: Statewide Employee Survey

ULTIMATE OUTCOMES

Employees are committed to the work they do and the goals of the organization

Successful, productive employees are retained

The state has the workforce breadth and depth needed for present and future success

Performance Measures

Turnover rates and types

Turnover rate: key occupational categories

Workforce Diversity Profile

Employee Survey Information

Retention measure (TBD)

Employee Survey Ratings (cont.)

Agency Priority: **Low**

Analysis:

- Although there was a slight decrease in the overall average from the 2006 survey results to the 2007 survey results, the decrease was not statistically significant. In comparison with previous DFI surveys and like questions, and the statewide data, DFI continues to score well.
- Recognition appears to be an area that is suffering from the employees perspective.
- Based on survey results, DFI developed and delivered targeted training to all employees and specific training to supervisors and managers.
- DFI employees clearly feel that the agency consistently supports a diverse workforce. DFI takes a proactive approach to diversity and affirmative action issues by placing a high emphasis on recruiting and retaining a skilled and highly diverse workforce.
- DFI utilizes tools available through the Civil Service Rules to recruit and retain its diverse workforce.

Action Steps:

- DFI will continue to develop and deliver targeted training to all employees and specific training to supervisors and managers.
- DFI will continue to require supervisors to identify training requirements and update individual PDP's on a periodic basis throughout the performance period, as employee's skill sets or training needs change.
- DFI will continue to survey staff following the ARROW Awards and utilize the data and comments to address issues and make improvements to the ARROW Program. The third year of ARROW awards are currently in process.